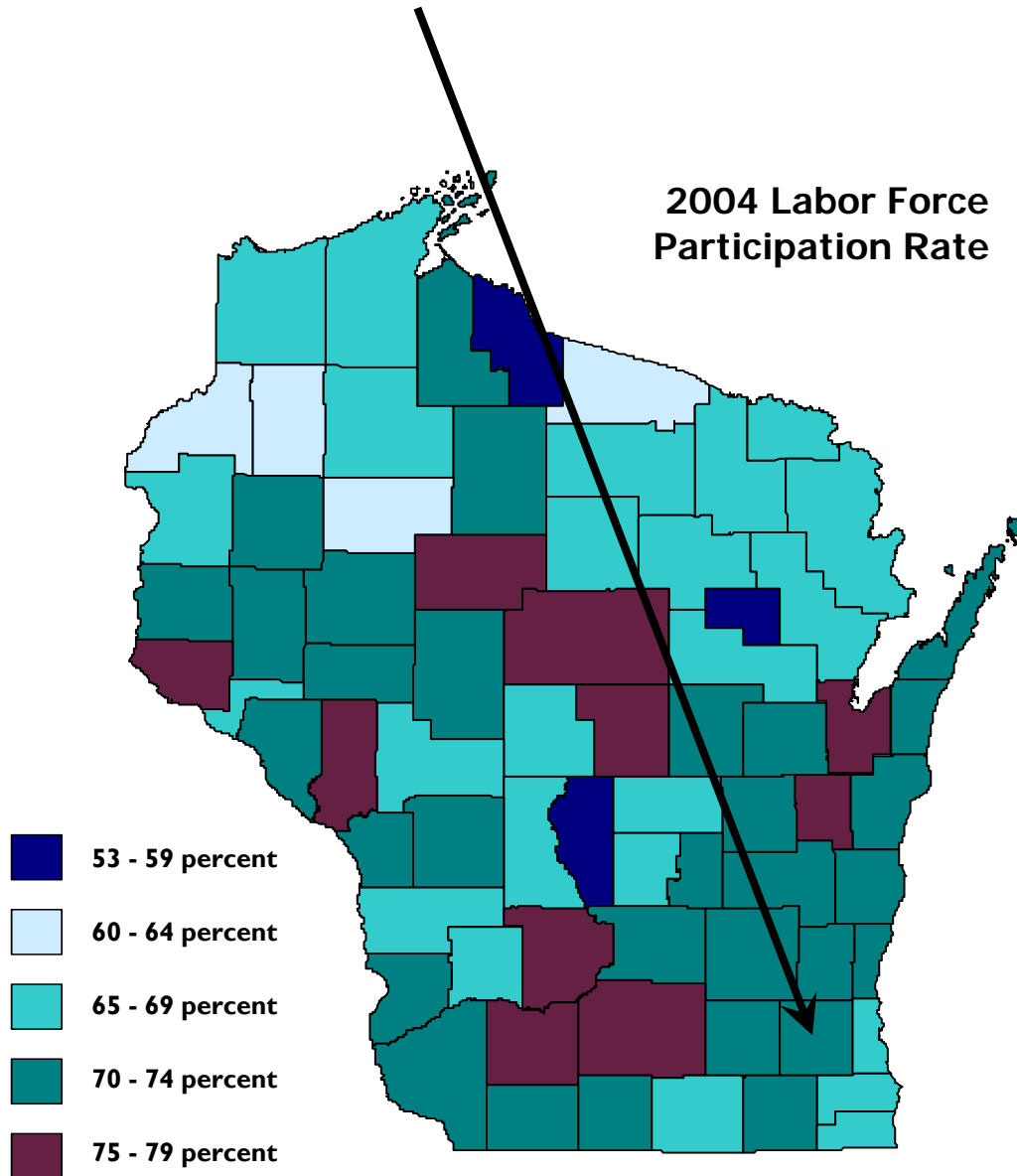


Waukesha County Workforce Profile



Source: Estimates created by DWD, OEA using data supplied by
U.S. Bureau of Labor Statistics and U.S. Bureau of Census

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State of Wisconsin
Department of Workforce Development
Office of Economic Advisors

December 2005

OEA-10660-P

County Population and Labor Force

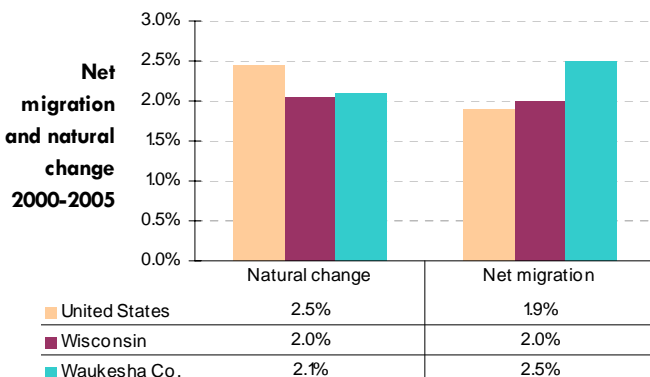
Waukesha County continued to experience strong population growth in 2004 — a pattern that has held true for much of the past several decades. The county's population has increased by slightly more than 16,000 residents, or 4.6 percent since 2000. To put this in comparison, Waukesha County's five-year growth rate clearly outpaces the state rate of four percent, yet fell slightly below national averages. Viewing this same trend from a regional perspective, Waukesha County's population growth lagged behind only Washington County in percentage terms (7.2 percent as compared to 4.2 percent), while the county's net numerical growth is the highest throughout the four-county region. Looking at the other counties in the region, we note that Ozaukee County matched Waukesha County's growth rate of 4.2 percent, while Milwaukee County once again exhibited a pattern of population loss, shedding slightly more than 1,000 residents over the same period.

Waukesha County's labor force participation also demonstrated signs of additional strength in the past year. The county's labor force participation rate currently stands at 72.2 percent and accounts for the workforce activity of all civilian, non-military individuals. This rate is again significantly higher than either state or national averages, and remains consistent with that which has been observed over the past several years. This rate is further bolstered through an examination of the county's age distribution, which shows the presence of

Five largest municipalities in Waukesha County

	April 2000 Census	Jan. 1, 2005 estimate	Numeric change	Percent change
Waukesha County	360,767	377,208	16,441	4.6%
Waukesha, City	64,825	67,580	2,755	4.2%
Brookfield, City	38,649	39,797	1,148	3.0%
New Berlin, City	38,220	38,969	749	2.0%
Menomonee Falls, Villag	32,647	33,939	1,292	4.0%
Muskego, City	21,397	22,427	1,030	4.8%

Source: Wis. Dept. of Administration, Demographic Services, August 2005



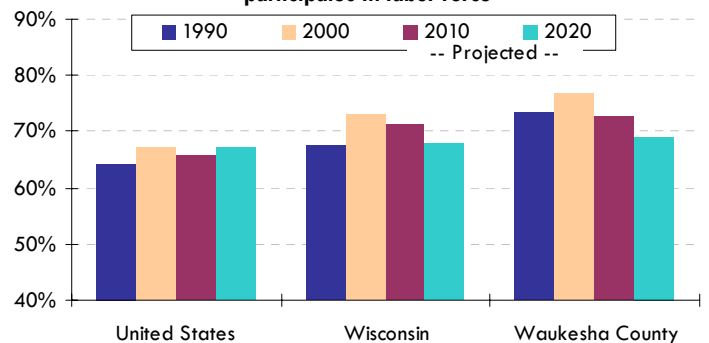
Source: WI Dept. of Admin, Demographic Services & US Census Bureau

Population and Labor Force

	United States	Wisconsin	Waukesha County
Total population in 2000	281,424,602	5,363,715	360,767
Population est. Jan. 1, 2005	295,160,302	5,580,757	377,348
Change	13,735,700	217,042	16,581
% change	4.9%	4.0%	4.6%
2005 Labor force population*	224,837,000	4,339,938	296,687
Share of total population	76.2%	78%	78.6%
Labor force	147,125,000	3,071,179	213,935
Labor force participation rate	65.4%	70.8%	72.1%
2005 Population 16 yrs. & over	228,621,674	4,417,313	299,355
16-24 yrs old	37,489,370	743,764	46,391
Share of population 16+ yrs	16.4%	16.8%	15.5%
25-59 yrs old	142,248,896	2,708,865	186,680
Share of population 16+ yrs	62.2%	61.3%	62.4%
60 yrs and older	48,883,408	964,684	66,284
Share of population 16+ yrs	21.4%	21.8%	22.1%
Projected population: 2020	335,804,546	6,110,878	409,570
Population 16 yrs. & over	264,085,104	4,869,573	324,339
16-24 yrs old	37,918,865	681,586	42,262
Share of population 16+ yrs	14.4%	14.0%	13.0%
25-59 yrs old	150,678,402	2,756,884	183,159
Share of population 16+ yrs	57.1%	56.6%	56.5%
60 yrs and older	75,487,837	1,431,103	98,918
Share of population 16+ yrs	28.6%	29.4%	30.5%

* civilian population 16 yrs. and older not in an institution

Percent of labor force age population that participates in labor force



Source: special tabulation by OEA using US Census, US Bureau of Labor Statistics, WI Dept. of Admin. estimates and projections

a strong cohort of workforce-aged residents. However, as future population trends do suggest, concerns over pending increases in retirements coupled with slowly declining birth rates do pose a substantial threat to this pattern. Nonetheless, the county as well as most of the major municipalities within it remain poised to meet the present demands.

Revised Labor Force

Waukesha County's labor force exhibited some relatively significant changes in 2004. Most notably, the county's annual average unemployment rate dipped by six-tenths of one percent, falling from 4.8 percent in 2003 to 4.2 percent in 2004. This rate represents the lowest rate observed in the county since 2001, when many experts believe that the most recent economic downturn began to affect the region. Similarly, recent economic indicators suggest that the Waukesha County economy in 2004 closely resembled those conditions found in the county in the early 1990s. As such, one might draw the conclusion that the county is once again poised for a period of significant economic growth. While a more moderate stance is likely appropriate, we do see that the number of employed workers in the county increased by just under 1,500 in 2004, while the labor force remained relatively stable. This again points to the presence of a growing and dynamic job market. Comparatively, the workforce climate in the county is surpassed only by Ozaukee County within the region, which posted a 3.6 percent annual average unemployment rate for the same year.

Waukesha County Civilian Labor Force Estimates

	Labor force	Employed	Unemployed	Unemployed rate
1990	174,337	168,472	5,865	3.4%
1991	176,965	169,761	7,204	4.1%
1992	183,009	175,504	7,505	4.1%
1993	187,894	181,533	6,361	3.4%
1994	195,638	189,156	6,482	3.3%
1995	201,023	195,670	5,353	2.7%
1996	206,271	201,115	5,156	2.5%
1997	210,782	205,685	5,097	2.4%
1998	213,737	208,937	4,800	2.2%
1999	217,322	212,781	4,541	2.1%
2000	211,068	205,409	5,659	2.7%
2001	212,445	204,871	7,574	3.6%
2002	212,474	202,769	9,705	4.6%
2003	213,856	203,648	10,208	4.8%
2004	213,935	205,012	8,923	4.2%

Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics, September 2005

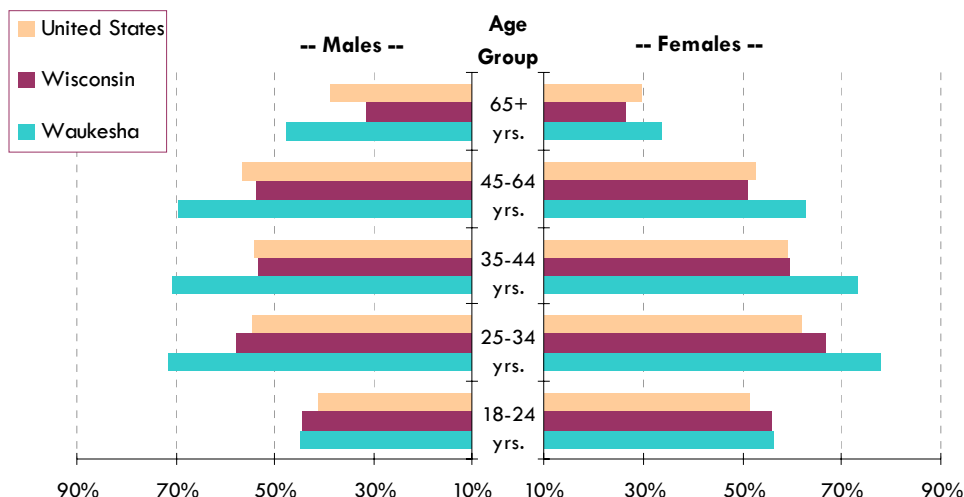
Education Attainment

Any discussion of the labor market in a given area must, naturally begin with an analysis of the basic ratio of employed to unemployed individuals. However, this comparison, as well as observations concerning net growth such as those previously mentioned do not provide any insight into the quality of the county's workforce. One indication of this measure may be viewed in an analysis of the percentage of those individuals,

distributed by age and gender, who have attended and/or completed a post-secondary education. As we see in the analysis presented below, Waukesha County well outpaces both the state and nation in terms of the degree to which most of the county's population cohorts have met this objective.

In examining this distribution further, a number of interesting observations do emerge. First, the education attainment of the county's male population exceeds that of its female population at higher age levels, while the female population outpaces the male population at younger cohorts, primarily below the age of 44. This suggests a continuing trend of increased educational access, particularly among the county's minority population. Finally, in contrast to many other counties throughout the state, educational attainment for residents of both genders age 18-24 exceeds both state and national averages. This can be attributed to the presence of numerous educational institutions throughout the region.

Residents with post-secondary education



Source: US Census 2000, Summary file 3, QT-P20

Employment and Wages

Turning our attention to a discussion of the wages paid within Waukesha County, which has traditionally served as an indicator of the quality of the county's work climate, we see that the county well exceeds state average wages in most major industry sectors. The average annual wage paid to all workers employed in Waukesha County in 2004 was slightly below \$40,000, or 14.2 percent above the state average.

Similarly, annual wages in a number of primary industry sectors, including construction, manufacturing, financial activities, and professional and business services ranged from 22.3 percent to 10.5 percent above the state average. Similarly, the county's information sector, which has been the subject of intense interest over the past several years, experienced average wages that were 18.6 percent above the state average, and lagged only behind professional and business services in sectors reporting the highest annual increase (5.1 percent compared to 4.6 percent).

While these averages and annual growth figures are indeed impressive and significant, a glimpse at one additional key industry, education and health services, shows that the county continues to lag behind its regional peers in a number of key industries. Despite growing demand for health services, as

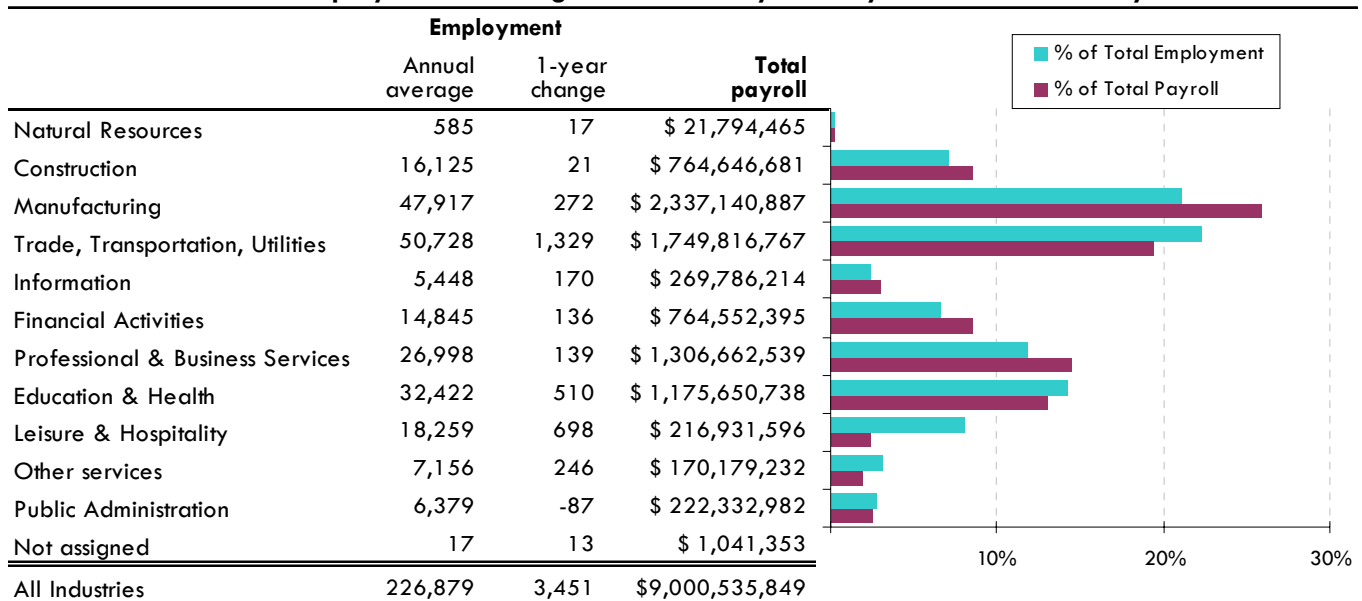
Average Annual Wage by Industry Division in 2004

	2004	2004		
	Average Annual Wage	Average Annual Wage	Percent of	1-year
	Wisconsin	Waukesha County	Wisconsin	% change
All Industries	\$ 34,749	\$ 39,671	114.2%	2.8%
Natural resources	\$ 27,399	\$ 37,255	136.0%	1.9%
Construction	\$ 41,258	\$ 47,420	114.9%	0.8%
Manufacturing	\$ 44,145	\$ 48,775	110.5%	4.0%
Trade, Transportation, Utilities	\$ 30,088	\$ 34,494	114.6%	2.9%
Information	\$ 41,759	\$ 49,520	118.6%	4.6%
Financial activities	\$ 45,103	\$ 51,502	114.2%	-0.1%
Professional & Business Services	\$ 39,580	\$ 48,398	122.3%	5.1%
Education & Health	\$ 36,408	\$ 36,261	99.6%	2.9%
Leisure & Hospitality	\$ 12,295	\$ 11,881	96.6%	3.6%
Other services	\$ 20,207	\$ 23,781	117.7%	1.3%
Public Administration	\$ 36,347	\$ 34,854	95.9%	2.9%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

evidenced by the sector's employment concentration in the county, average wages in the sector were slightly below the state average, despite experiencing growth of 2.9 percent in 2004. Viewing this trend from a regional perspective, we see that annual wages in the sector in Ozaukee and Milwaukee County — Waukesha County's two largest competitors for skilled labor — were 3.4 percent and 8.3 percent above the state average, despite reporting mixed gains in 2004. This suggests that Waukesha County will continue to see significant competition for employees in this sector for the foreseeable future.

2004 employment and wage distribution by industry in Waukesha County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2005

Industry and Employers by Size

Top 10 Private-sector Employers in Waukesha County

Establishment	Product or Service	Size (Dec. 2004)
Kohl's Department Stores Inc	Discount department stores	1000+ employees
Quad/Graphics Inc	Commercial lithographic printing	1000+ employees
Waukesha Memorial Hospital Inc	Gen. medical & surgical hospitals	1000+ employees
The Gap Inc	Family clothing stores	1000+ employees
GE Medical Systems LLC	Electric appliance merchant whslrs	1000+ employees
Target Corporation	Discount department stores	1000+ employees
Wal-Mart	Discount department stores	1000+ employees
Ultra Mart Foods Inc	Supermarkets & other grocery stores	1000+ employees
Generac Power Systems Inc	Motor & generator mfg.	1000+ employees
Community Mem. Hosp of Menomonee Falls	Gen. medical & surgical hospitals	1000+ employees

Source: DWD, Bureau of Workforce Information, ES-202, July 2005

Prominent industries in Waukesha County

NAICS title	March 2005		Numeric change in employees	
	Establishments	Employees	2004-2005	2000-2005
Food services and drinking places	502	13,788	947	2,921
Educational services	111	12,421	97	949
Professional and technical services	1,136	11,572	-1,207	-353
Merchant wholesalers, durable goods	849	11,461	365	-84
Administrative and support services	527	10,551	922	-1,373
Specialty trade contractors	1,007	10,222	645	452
Fabricated metal product manufacturing	263	9,269	534	-298
Machinery manufacturing	190	7,250	218	-1,645
Ambulatory health care services	589	7,210	495	1,183
Printing and related support activities	131	7,052	7	-879

* data suppressed to maintain employer confidentiality

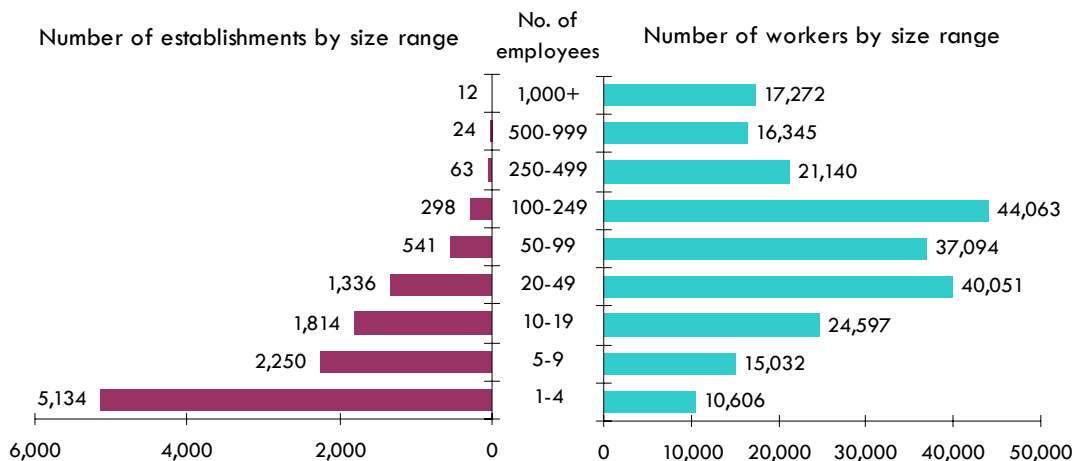
Column headings revised 02/06

Source: DWD, Bureau of Workforce Information, ES-202, September 2005

Continuing our discussion of the importance of the health care sector to Waukesha County's economic present and future, we see that three significant firms, Waukesha Memorial Hospital, Inc., GE Medical Systems LLC, and Community Memorial Hospitals of Menomonee Falls, are listed among the county's largest employers. Similarly, we continue to see the influence of the retail industry with respect to sales, corporate, and distribution facilities within the county, with Kohl's Department Stores, The Gap Inc, Target Corporation, Wal-Mart, and Ultra Mart Foods, Inc. all among the county's largest employers.

Looking now at an analysis of the county's largest industry sectors, we see that the manufacturing sector continues to play an important role in Waukesha County, despite the relative absence of the sector among the county's largest single firms. The fabricated metal products, machinery, and printing industries are all well represented within the county, and have added significantly to their employment levels in the past year in an attempt to reverse the decline that characterized the recent economic downturn. Similarly, the county continues to add employment in most industry sectors.

Waukesha County establishments and workers by employment size range in 2004



(1) Data not available due to suppression factors

Source: DWD, Bureau of Workforce Information, Table 221, July 2005

Per Capita Personal Income

While an analysis of the average wages paid by employers throughout Waukesha County does provide some indication as to the relative economic health of the county, this does not paint the entire picture. Waukesha County has traditionally been, and continues to be quite strongly connected to the region, as a whole, as has been discussed in a number of venues, including previous editions of this report. Given the large share of the county and regional workforce that travels to work outside of any county on a daily basis, we must view income from a perspective that places more weight on one's residence than place of work. Per capita personal income is such a measure, at it distributes the net income earned by all residents within the county across the entire population.

Taking this measure into account, we see that the 2003 per capita personal income, or PCPI for Waukesha County was \$41,551, the second highest measure in the state. This stands at more than \$10,000 above both the state and national figures for the same time period. Similarly, the county's PCPI has held this distinction for some time, dating back to 1969, or the earliest period for which similar data is available.

While the high degree of personal income present in the Waukesha County population is certainly impressive and emblematic of the dominant position that the county's workforce holds in the larger regional economy, this is cause for some concern. Specifically, in assessing PCPI growth since 1998, we see that, during the last year's of significant economic growth and throughout the most recent economic decline, Waukesha County's

PCPI grew by 12.2 percent. Taken alone, this figure is impressive and suggests a certain degree of economic resilience and stability. However, when viewed from a state and national perspective, Waukesha County's rate lags behind the roughly 17 percent growth reported. Similarly, the county's income growth lagged behind other relatively high income counties.

Wisconsin Counties 2003 Per Capita Personal Income and Rank in State

Area	2003	Rank	5-yr growth	Rank	Area	2003	Rank	5-yr growth	Rank
United States	\$ 31,472		17.1%		Manitowoc	\$ 27,807	27	13.6%	59
Wisconsin	\$ 30,685		17.2%		Marathon	\$ 29,992	16	22.0%	5
Adams	\$ 22,804	59	16.1%	37	Marinette	\$ 25,448	39	21.3%	9
Ashland	\$ 23,204	55	16.6%	32	Marquette	\$ 22,590	64	26.5%	1
Barron	\$ 24,922	41	15.2%	44	Menominee	\$ 18,449	72	19.8%	16
Bayfield	\$ 22,660	62	13.4%	60	Milwaukee	\$ 31,419	7	19.5%	18
Brown	\$ 32,076	5	17.8%	25	Monroe	\$ 23,467	54	16.8%	31
Buffalo	\$ 29,083	20	17.2%	28	Oconto	\$ 24,842	42	12.3%	66
Burnett	\$ 22,796	60	17.1%	29	Oneida	\$ 28,646	22	18.7%	21
Calumet	\$ 31,880	6	21.4%	8	Outagamie	\$ 30,952	11	20.5%	14
Chippewa	\$ 25,999	36	12.3%	67	Ozaukee	\$ 47,527	1	14.7%	48
Clark	\$ 22,227	66	13.9%	55	Pepin	\$ 24,407	44	13.0%	64
Columbia	\$ 30,846	12	18.2%	24	Pierce	\$ 27,963	26	18.6%	23
Crawford	\$ 22,628	63	20.9%	13	Polk	\$ 24,201	46	13.9%	54
Dane	\$ 36,455	3	21.0%	12	Portage	\$ 27,464	30	21.1%	11
Dodge	\$ 26,048	35	13.3%	61	Price	\$ 24,361	45	12.2%	68
Door	\$ 30,657	13	15.9%	40	Racine	\$ 31,271	8	15.0%	45
Douglas	\$ 23,568	53	15.3%	43	Richland	\$ 23,829	51	21.9%	6
Dunn	\$ 22,885	58	14.9%	47	Rock	\$ 28,256	25	14.1%	50
Eau Claire	\$ 27,469	29	17.5%	27	Rusk	\$ 20,461	71	14.0%	52
Florence	\$ 24,146	47	25.3%	3	Sauk	\$ 28,780	21	19.5%	19
Fond du Lac	\$ 29,951	17	16.1%	38	Sawyer	\$ 23,921	50	22.3%	4
Forest	\$ 21,975	68	25.4%	2	Shawano	\$ 23,941	49	13.9%	56
Grant	\$ 24,116	48	15.6%	42	Sheboygan	\$ 31,251	9	19.8%	17
Green	\$ 28,542	23	14.0%	51	St. Croix	\$ 31,091	10	13.6%	57
Green Lake	\$ 26,962	32	8.1%	72	Taylor	\$ 23,020	56	16.6%	34
Iowa	\$ 27,308	31	19.2%	20	Trempealeau	\$ 25,242	40	18.7%	22
Iron	\$ 22,912	57	21.1%	10	Vernon	\$ 20,950	70	15.7%	41
Jackson	\$ 26,084	34	21.9%	7	Vilas	\$ 25,664	37	13.0%	63
Jefferson	\$ 29,330	18	16.5%	35	Walworth	\$ 27,626	28	13.6%	58
Juneau	\$ 22,382	65	12.7%	65	Washburn	\$ 22,794	61	16.0%	39
Kenosha	\$ 29,117	19	16.5%	36	Washington	\$ 35,196	4	14.9%	46
Kewaunee	\$ 25,536	38	8.8%	71	Waukesha	\$ 41,551	2	12.2%	69
La Crosse	\$ 28,284	24	16.8%	30	Waupaca	\$ 26,863	33	14.0%	53
Lafayette	\$ 21,983	67	10.1%	70	Wausara	\$ 21,762	69	13.2%	62
Langlade	\$ 23,739	52	20.4%	15	Winnebago	\$ 30,359	15	16.6%	33
Lincoln	\$ 24,725	43	14.6%	49	Wood	\$ 30,401	14	17.7%	26

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2005